

## Message Text

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71

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 EA-11 FRB-02 INR-10 NEA-10 NSAE-00 RSC-01

OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20

NSC-10 SS-15 STR-08 RSR-01 /181 W

----- 065415

R 131735 Z APR 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 8303

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION EC BRUSSELS

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E. O. 11652: N/A

TAGS: EAGR, ETRD, EEC

SUBJECT: EC CAP PRICES

1. IN CONVERSATION WITH EMBOFFS APRIL 12 SENIOR FOREIGN MINISTRY OFFICIALS CONCERNED WITH EC ECONOMIC AFFAIRS SAID THAT CURRENT EC EFFORT SET 1973/74 AGRICULTURAL PRICES WAS PUTTING ITALY INTO SOMETHING OF A DILEMMA SINCE IT WANTED ON THE ONE HAND CONTAIN INFLATIONARY PRESSURES WHEREVER POSSIBLE, BUT ALSO HAD RECENTLY BECOME DEFENSIVE AS TO WHETHER IT WAS IN FACT ACTING IN PROPER EUROPEAN FASHION, E. G., NOT JOINING EC CURRENCY SNAKE, ETC. OFFICIALS POINTED OUT THAT ACTUAL CURRENT MARKET PRICES ARE WELL ABOVE CAP REFERENCE PRICES AND THEREFORE SLIGHT INCREASE IN EC PRICES HAD MORE PSYCHOLOGICAL THAN REAL SIGNIFICANCE. THEY OPINED THAT AGREED PRICES MIGHT BE SLIGHTLY ABOVE COMMISSION

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PROPOSALS ( PERHAPS INCLUDING ONE PERCENT PRICE INCREASE IN GERMANY AND RESTORATION OF COMMON PRICE SYSTEM). OUR SOURCES THOUGHT PROSPECTS OF AGREEMENT BEING REACHED AT APRIL 16-17 COUNCIL MEETING IN LUXEMBOURG WERE GOOD.

2. MFA SOURCES SAID ITALY WOULD CONTINUE IN ITS OWN INTEREST TO TRY TO AVOID HIGHER CAP GRAIN PRICES. THEY NOTED THAT UK EUROPEAN AFFAIRS MINISTER DAVIES HAD TOLD ROME PRESS CONFERENCE APRIL 10 THAT HE HAD FOUND GOI IN SUBSTANTIAL AGREEMENT WITH UK VIEW THAT CURBING INFLATION MORE IMPORTANT THAT RAISING FARMER INCOME; DAVIES ADDED THAT RAISING CAP FOOD PRICES AT THIS STAGE WOULD BE IRRATIONAL.

3. MFA OFFICIALS HAD HEARD NOTHING FROM MINAG OR FROM REPORTS ON APRIL 9-10 EC COUNCIL MEETING RE FRANCH INITIATIVE RE SOYBEANS CAP. BEAUDRY

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973ROME02972  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
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**Office:** ACTION EUR  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Aug-2001 by shawdg>; APPROVED <06-Sep-2001 by boyleja>  
**Review Markings:**

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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> jms 980113  
**Subject:** EC CAP PRICES  
**TAGS:** EAGR, ETRD, EEC  
**To:** BONN  
BRUSSELS  
COPENHAGEN  
DUBLIN  
EUR  
LUXEMBOURG  
PARIS

SECSTATE WASHDC  
THE HAGUE

**Type:** TE

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